



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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**INFORMATION FOR BANKS DESIGNATED AS DEPOSITORIES
FOR CAMPAIGN FUNDS UNDER MASS. GENERAL LAWS CHAPTER 55**

Candidates for statewide office, Governor's Council, county offices and certain municipal offices are required by section 19 of M.G.L. c.55 to designate a bank or other authorized financial institution (hereinafter referred to as "bank") as a depository for campaign funds.¹ Such candidates are often referred to as "depository candidates." If any such candidate has established a political committee, the candidate and the committee must designate a depository bank. No other candidate is required to open a depository bank account.

Designating the Depository Bank

A **Form CPF D103** "Certificate of Appointment of Depository" must be completed by the candidate and the bank (as well as the candidate's committee, if applicable). The candidate and, if applicable, the treasurer of the candidate's committee completes the top portion of the **Form CPF D103**. It is the responsibility of the candidate to file the completed **Form CPF D103** with this office within three business days after designating a depository bank. The **Form CPF D103**, once completed by the bank, should therefore be returned to the candidate promptly.

A **Form CPF D103** must be completed whether or not the candidate has a committee and whether or not such candidate opts to open a checking account with the designated depository bank at the time of designation. If a candidate does not have a committee and does not intend to accept contributions, make expenditures or incur liabilities, the candidate is not required to open an account with the depository bank although a depository bank must still be designated. If a candidate does have a committee and intends to have that committee handle all campaign finance activity, the candidate does not need to open a separate account, although the committee must. The depository bank must indicate the date of opening such account on the **Form CPF D103**.

¹ The statewide offices are governor, lieutenant governor, secretary of state, attorney general, treasurer/receiver general and auditor; the county offices are district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff. The municipal offices include citywide offices in the cities of Boston, Lowell, Springfield, Worcester and Cambridge. The treasurers of each of the political committees of the state political parties are also required to designate a depository. Any references to candidates in this memorandum also apply to the political committees of the state political parties.



The Depository Bank Account

In addition to the usual services the depository bank provides its customers, the bank has unique responsibilities under the provisions of M.G.L. c.55. All campaign finance activity undertaken by a candidate required to designate a depository bank must be through an account with that depository bank. Thus, all receipts of a candidate and all expenditures by a candidate (or the candidate's committee) must flow through the depository account. The campaign finance law requires the depository bank to play an integral role in reporting and disclosing these receipts and expenditures. It should be noted that the bank has no responsibility for the legality of the actual receipts and expenditures, only certain responsibilities for the reporting of them.

Depository Checks

M.G.L. c.55 requires that a candidate/committee must use a special check imprinted with certain information. All checks drawn on a depository bank account must have this information. The check should be personalized with the name of the candidate or the candidate's political committee, as applicable. Each check for a depository bank account contains nine different general purposes listed on its face (codes 1 - 9), one of which must be chosen when the check is completed by the candidate or the candidate's committee. In addition, the candidate/committee must also complete a box indicating the specific purpose of the expenditure. This will enable the depository bank to complete the necessary forms to be filed with this office (see "Checks Presented for Payment" section). Such check should be made payable to a payee whose name and address are printed on the check.

In order to cash a depository check, the payee must endorse the check below a certificate printed on the back which states "[t]he undersigned affirms under the penalties of perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or service, and that no person other than the named payee has any interest, direct or indirect, in this payment."

An example of the front and back of the depository check is attached as Appendix A. Regardless of the vendor printing the depository checks, all the information must be contained on the check.

Deposits

Under the law, a candidate and a candidate's committee must deposit all monies received in the depository bank account. In making these deposits, the candidate/committee will use the regular deposit slips and follow the usual procedures of the depository bank. In addition, the candidate/committee will submit to the bank in triplicate lists of the sources of the receipts on **Form CPF D106** ("Receipts and Expenditures Report"). The bank should verify that totals stated on such forms equal the total on the deposit slip(s).

At the time of deposit, the bank will receipt stamp and return one set of forms for the candidate's/committee's records; it will retain two sets, one for its records and one to be filed as a public record with this office on the applicable reporting schedule as required by law.

Checks Presented for Payment

As checks are presented for payment, the depository bank itemizes a candidate's/committee's expenditures on the back of the copies of the **Form CPF D106** listing receipts which have already been filed with the bank by the candidate or committee. The bank should list each check alphabetically by payee as of the date presented for payment (not the date of the check) showing: the date the check was paid, the payee, the payee's address, the purpose code and the specific purpose of the expenditure (both of which may be taken from the face of the check) and the amount. If the code number or specific purpose is omitted from a check, please indicate this by an asterisk (*) in the appropriate column.

Activity Summary

The depository bank is responsible for summarizing the receipt and expenditure information supplied on the **Form CPF D106**. This summary information is filed on the **white Form CPF D105** ("Summary Report of Campaign Receipts and Expenditures"), together with copies of the **Form CPF D106** which have been submitted by the candidate or committee, on the following schedule:

(1) Election Year

(a) January through June

From January through June, the bank is required to file a report by the fifth of the following month showing all deposits and expenditures made during the previous month as well as the account balance through the last day of the previous month.

(b) July through December

From July through December, the bank of a depository candidate who is on the ballot that year must file reports twice each month. These reports are due on the fifth and twentieth of each month. The first report would be due on July 20th for the period from July 1st through July 15th. The next report would be due on August 5th for the period July 16th through July 31st.

OCPF will notify depository banks of which candidates are on the ballot, as soon as this information becomes available.

(2) All Other Years

In non-election years, the bank is required to file a report by the fifth of each month showing all deposits and expenditures made during the previous month and the account balance through the last day of the month.

As required, the summary and the **Form(s) CPF D106** must be received by this office on or before the fifth of the month or the twentieth of the month, whichever is applicable. The summaries and the receipt/expenditure reports are placed in the candidate's/committee's file as public records. This filing provides the primary disclosure of the depository candidate's (and committee's) campaign finance activity. **Failure to file these reports on a timely basis severely undermines the purpose of the law and may subject the bank to penalties under section 19 of M.G.L. c.55.**

Closing an Inactive Depository Account

From time to time, depository candidates and committees retain no assets in their depository accounts. The costs of servicing such accounts nevertheless continue to be incurred. Should a depository bank encounter this situation, this office should be contacted immediately so that the account may be deactivated. Do not close a depository account without first contacting this office.

Electronic Filing

Section 18C of M.G.L. c. 55 was enacted by the voters in 1998 as part of the new Clean Elections Law. This provision requires certain candidates and committees to file their campaign finance reports by electronic means starting on January 1, 2002. Specifically, certain candidates, including candidates for the offices of governor, lieutenant governor, state secretary, attorney general, state treasurer, auditor, and councilor will be required to file electronically if contributions or expenditures by the candidate or candidate's committee during an election cycle are more than 10% of the applicable expenditure limit established by section 6 of chapter 55A.² In addition, starting in 2004, state political party committees aiding or promoting the success or defeat of one or more candidates for state office, which raise or spend more than \$10,000 since December thirty-first following the last state election, must also report electronically. The depository banks used by these committees will be required to electronically file the CPF D 105 and CPF D 106 forms. For more information, contact OCPF.

If you have any questions about the depository bank system for candidates in Massachusetts, please do not hesitate to contact this office at (617)727-8352 or 800-462-OCPP.

² Expenditure limits for the entire 2002 election cycle for depository candidates are as follows: Governor, \$3,244,200; Lt. Governor, \$811,100; Attorney General, \$811,100; Auditor, \$270,400; Secretary of State, \$270,400; Governor's Councilor, \$43,300.

APPENDIX A

FRONT

BACK

"The undersigned affirms under the penalties of perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or services and that no person other than the named payee has any interest, direct or indirect, in this payment."

<p>TO THE ORDER OF</p>		<p>FROM</p>		<p>NO. <u>11/3</u> 19 <u>74</u></p>	
<p>ABC LUMBER</p>		<p>20 MAIN STREET</p>		<p>NO/100 \$ <u>100.00</u></p>	
<p>Anytown, Mass.</p>		<p>City, State</p>		<p>CAMPAIGN ACCOUNT</p>	
<p>1 <input type="checkbox"/> TV. RADIO</p>		<p>4 <input type="checkbox"/> PRINTING</p>		<p>7 <input checked="" type="checkbox"/> SIGNS OR DISPLAYS</p>	
<p>2 <input type="checkbox"/> NEWSPAPER</p>		<p>5 <input type="checkbox"/> OFFICE</p>		<p>8 <input type="checkbox"/> TRANSFER OF FUNDS</p>	
<p>3 <input type="checkbox"/> MEETINGS</p>		<p>6 <input type="checkbox"/> TRAVEL</p>		<p>9 <input type="checkbox"/> OTHER</p>	
<p>SPECIFIC PURPOSE (MANDATORY) <u>Wood for campaign signs</u></p>					
<p>PAY <u>One Hundred and</u></p>					
<p><u>John P. Treasures</u></p>					
<p>AUTHORIZED SIGNATURE</p>					